

1 HOUSE BILL NO. 286

2 INTRODUCED BY S. AUGARE, BIXBY, CAMPBELL, HAMILTON, HENRY, JAYNE, KOTTEL, SMALL-
3 EASTMAN, J. TROPILA

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING INCENTIVES UNDER THE BIG SKY ECONOMIC
6 DEVELOPMENT PROGRAM TO ASSIST HIGH-POVERTY COUNTIES IN WORKFORCE TRAINING AND
7 OTHER ECONOMIC DEVELOPMENT OPPORTUNITIES; AMENDING SECTIONS 90-1-201, 90-1-202, AND
8 90-1-204, MCA; AND PROVIDING AN EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 **Section 1.** Section 90-1-201, MCA, is amended to read:

13 **"90-1-201. Big sky economic development program -- definitions.** (1) (a) There is a big sky economic
14 development program that consists of:

15 (i) the big sky economic development fund established in 17-5-703; and

16 (ii) the economic development special revenue account provided for in 90-1-205.

17 (b) Interest and income from the big sky economic development fund may be used to administer the big
18 sky economic development program and to provide financial assistance for qualified economic development
19 purposes under this part.

20 (2) As used in this part, the following definitions apply:

21 (a) "Certified regional development corporation" has the meaning provided in 90-1-116.

22 (b) "Department" means the department of commerce provided for in 2-15-1801.

23 (c) "Economic development organization" means:

24 (i) (A) a private, nonprofit corporation, as provided in Title 35, chapter 2, that is exempt from taxation
25 under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code, 26 U.S.C. 501(c)(3) or 501(c)(6);

26 (B) an entity certified by the department under 90-1-116; or

27 (C) an entity established by a local government; or

28 (ii) an entity actively engaged in economic development and business assistance work in a region of the
29 state.

30 (d) "High-poverty county" means a county in this state in which ~~20%~~ 14% or more of people of all ages

1 are in poverty as determined by the U.S. BUREAU OF THE census bureau's small area income and poverty
 2 estimates for the most current year available.

3 ~~(d)~~(e) "Local government" means a tribal government, county, consolidated government, city, town, or
 4 district or local public entity with the authority to spend or receive public funds."

5

6 **Section 2.** Section 90-1-202, MCA, is amended to read:

7 **"90-1-202. Purpose.** The legislature finds and declares that economic development is a public purpose.

8 The purpose of the big sky economic development program is to assist in economic development for Montana
 9 that will:

- 10 (1) create good-paying jobs for Montana residents;
 11 (2) promote long-term, stable economic growth in Montana;
 12 (3) encourage local economic development organizations;
 13 (4) create partnerships between the state, local governments, and local economic development
 14 organizations that are interested in pursuing these same economic development goals;
 15 (5) retain or expand existing businesses; ~~and~~
 16 (6) provide a better life for future generations through greater economic growth and prosperity in
 17 Montana; ~~and~~
 18 (7) encourage workforce development, including workforce training and job creation, in high-poverty
 19 counties by providing targeted assistance."

20

21 **Section 3.** Section 90-1-204, MCA, is amended to read:

22 **"90-1-204. Priorities for funding -- rulemaking.** (1) The department must receive proposals for grants
 23 and loans from local governments. A local government shall work with an economic development organization
 24 on a proposal. The department shall work with the local government and the economic development organization
 25 in preparing cost estimates for a proposed project. In reviewing proposals, the department may consult with other
 26 state agencies with expertise pertinent to the proposal.

27 (2) (a) The department shall adopt rules necessary to implement the big sky economic development
 28 program. In adopting rules, the department shall look to the rules adopted for the treasure state endowment
 29 program and other similar state programs. To the extent feasible, the department shall make the rules compatible
 30 with those other programs. To the extent feasible, the department shall employ an approach pertaining to the use

1 of funds so that, except as provided in subsection (2)(b), the needs of rural areas are balanced with the needs
 2 of the state's urban centers.

3 (b) For high-poverty counties, the department shall employ an approach pertaining to the use of funds
 4 that is intended to lower poverty levels in the county to a percentage at which the county no longer is defined as
 5 a high-poverty county.

6 ~~(b)~~(c) The rules must provide for the types of uses of funds available under the big sky economic
 7 development program. The types of uses of funds by:

8 (i) local governments include but are not limited to:

9 (A) a reduction in the interest rate of a commercial loan for the expansion of a basic sector company;

10 (B) a grant or low-interest loan for relocation expenses for a basic sector company; and

11 (C) rental assistance or lease buy-downs for a relocation or expansion project for a basic sector
 12 company;

13 (ii) a certified regional development corporation include:

14 (A) support for business improvement districts and central business district redevelopment;

15 (B) industrial development;

16 (C) feasibility studies;

17 (D) creation and maintenance of baseline community profiles; and

18 (E) matching funds for federal funds, including but not limited to brownfields funds and natural resource
 19 damage funds.

20 ~~(c)~~(d) (i) The rules must provide for distribution methods for financial assistance available to local
 21 governments. The rules must provide for distribution based upon the number of jobs expected to be created
 22 because of the funding.

23 (ii) Funding may not exceed \$5,000 for each expected job, except that funding for a project in a
 24 high-poverty county may not exceed \$7,500 for each expected job.

25 (iii) The rules must require equal matching funds for a grant or loan, except that the rules for a grant or
 26 a loan in a high-poverty county may allow a more advantageous 50% TO 100% match requirement for the
 27 high-poverty county.

28 (e) The rules may provide for greater incentives for a high-poverty county.

29 ~~(d)~~(f) The rules must provide for the full or partial repayment of a grant if the new jobs or some of the new
 30 jobs for which a grant is given are not created.

